

## **NORDIC ALUMINIUM PLC FINANCIAL STATEMENTS RELEASE 2011**

Nordic Aluminium's net sales increased, but operating profit decreased compared to the previous year. Nordic Aluminium's consolidated net sales in 2011 were EUR 69.66 million (EUR 68.26 million). Consolidated operating profit in 2011 was EUR 14.63 million (EUR 15.86 million). Net profit was EUR 11.07 million (EUR 11.92 million). Return on investment was 27.39 per cent (32.3 per cent) and return on equity 20.6 per cent (23.7 per cent). The Board proposes the payment of a dividend of 2011 2.20 EUR per share for a total payment of EUR 10.64 million (EUR 10.16 million).

### **Group structure**

Nordic Aluminium Plc's parent company is Oy Lival Ab. The Nordic Aluminium Group is made up of the parent company Nordic Aluminium Plc, operating at Kirkkonummi and Nivala, and its subsidiaries Nordic Aluminium Inc. in the United States and Nordic Aluprofiler AB in Sweden.

### **Net sales and profits**

Nordic Aluminium's consolidated net sales were EUR 69,99 million (EUR 68.26 million). The operating profit of Nordic Aluminium in 2011 amounted to EUR 14.63 million (EUR 15.86 million). Earnings per share for the period were EUR 2.29 (EUR 2.46). Consolidated operating profit was 21.0 per cent from net sales (23.2 per cent).

The share of exports and international operations were 48.0 per cent of net sales as compared with 48.8 per cent the year before. The major export markets in 2011 were Europe, Far-East, and North America.

### **Last quarter in a nutshell**

During the last quarter net sales of Nordic Aluminium, EUR 15.24 million, increased from the equivalent period in the previous year (EUR 15.14 million). The operating profit for the period was EUR 2.56 million (EUR 3.57 million). Earnings per share were EUR 0.43 (EUR 0.56).

### **Order backlog**

Nordic Aluminium's order book at the end of 2011 stood at EUR 3.67 million (EUR 7.22 million). Increase in order backlog in the end of 2010, was mainly due to price increases, which came into effect in the beginning of 2011.

Purchase behaviour in the market tightened even more from last year. Customers are not able to give reliable estimates and order only for actual needs with short delivery times.

### **Research and development expenses**

Nordic Aluminium's research and development expenses in 2011 were EUR 0.11 million (EUR 0.15 million), 0.2 per cent of net sales (0.2 per cent).

### **Investments**

Gross investments in 2011 were EUR 4.16 million (EUR 1.85 million).

### **Profitability**

Return on investment (ROI) in Nordic Aluminium in 2011 was 27.9 per cent (32.3 per cent) and return on equity (ROE) was 20.6 per cent (23.7 per cent). Diluted earnings per share were EUR 2.29 (EUR 2.46). Equity per share was EUR 11.19 (EUR 10.99).

### **Balance sheet and financing**

The consolidated balance sheet total at the end of the 2011 fiscal year was EUR 62.70 million (EUR 61.56 million). Equity ratio was 86.3 per cent (86.4 per cent). Cash flow from operations before interests and taxes was EUR 18.10 million (EUR 17.20 million).

### **Authorisations**

The Board has no current authorisations for the increase of the company's share capital or the procurement of own shares.

### **Share capital**

The total number of Nordic Aluminium Plc's shares at the end of the fiscal year 2011 was EUR 4,836,882. The registered share capital is EUR 6,191,208.96. All shares have the same voting and dividend rights. Nordic Aluminium Plc's shares have been listed on NASDAQ OMX Helsinki Ltd. since 1997.

### **Share trading**

The shares of Nordic Aluminium Plc are traded at the Helsinki Stock Exchange. The trading identifier is NOA1V and the ISIN code is FI0009006415. A total of 252,128 (390,524) Nordic Aluminium Plc shares were traded on the stock market in 2011 with total value of EUR 7.27 million. The share quotation ranged between EUR 19.00 and EUR 37.25 (EUR 14.94-30.90). The number of shares was 4,836,882 which remained unchanged during the reporting period. The market value of the company's shares stood at EUR 121.9 million (EUR 137.9 million) at the end of December.

Paid dividends for the year 2010 were EUR 2.10 per share for a total payment of EUR 10,157,452.20.

### **Shares and ownership**

There were no major changes in the ownership of Nordic Aluminium Plc during the year. At the end of the fiscal year 2011 Nordic Aluminium Plc's ownership was as follows:

The biggest shareholders Dec 31, 2011 Owner	Number of shares	Share of capital and votes %
Oy Lival Ab	3,087,945	63.84
Varma Mutual Pension Employment Insurance Company	250,000	5.17
Aktia Capital Unit Trust	217,000	4.49
Evli-Select Mutual Fund	173,840	3.59
Veritas Mutual Pension Insurance Company	139,000	2.87
Lival-Lindström, Stig	129,050	2.67
Fondita Micro Cap Mutual Trust	90,000	1.86
Mandatum Life Insurance Company	56,504	1.17
Rausanne	56,086	1.16
Mutual Fund Evli Nordic Dividend	35,111	0.73
Others	602,346	12.42
Total	4,836,882	100.00

The number of nominee-registered shares at the end of 2011 was 14,060 which equals 0.29 per cent of the company's shares and votes. The total number of shareholders at the end of the year was 1,783.

Shareholders by sector Dec 31, 2011	Number of shares	Share %
Companies	3,232,013	66.82
Financial and insurance institutions	562,639	11.63
Associations	401,000	8.29
Non-profit associations	31,338	0.65
Households	605,400	12.51
Owners outside Finland	4,762	0.10
Total	4,836,882	100.00

#### Shareholders by size of holdings Dec 31, 2011

Number of shares	Number of owners	%	Number of shares	%
1 - 200	1234	69.21	104,852	2.17
201 - 2,000	496	27.82	276,296	5.72
2,001 - 20,000	42	2.36	201,134	4.16
20,001 - 200,000	8	0.45	699,655	14.47
200,001 - 2,000,000	2	0.11	467,000	9.65
2,000,001 - 9,999,999	1	0.06	3,087,945	63.84
Total	1,738	100.00	4,836,882	100.00

#### Insider issues

Nordic Aluminium Plc adheres to the guidelines for insiders issued by NASDAQ OMX Helsinki Ltd. Nordic Aluminium Plc's permanent insiders

are: Members of the Board of Directors, Managing Director & CEO, Secretary of the Board and the Members of the Management Group as well as named individuals within the Company's financial administration, sales and marketing and production. The appointed insider issue responsible is the Company's CFO. Up-to-date insider data is maintained in the Central Securities Depository at Euroclear Finland Ltd's premises.

The Company recommends that the permanent insiders' investments in the Company's are to be long-term investments. According to NASDAQ OMX Helsinki Ltd. guidelines for insiders and the Company's own Insider Guidelines trading in the Company's securities should be done at the times when the market has as exact information as possible of the issues and matters influencing the value of the security.

### **Annual General Meeting**

The Annual General Meeting of Nordic Aluminium Plc on March 31, 2011 adopted the financial statements and discharged the members of the Board and the Managing Director from liability. The Meeting also decided to approve the proposal of the Board for a dividend of 2010 EUR 2.10 per share (EUR 1.30) or a total of EUR 10.16 million.

The Annual General Meeting elected Stig Lival-Lindström, Viveka Iisaho, Nina Ehrnrooth and Hans Jonasson regular members of the Board of Directors. The board elected Stig Lival-Lindström Chairman on the same date.

The Annual General Meeting elected Authorised Public Accountant Ernst & Young Oy as Auditor of Nordic Aluminium Plc with Tomi Englund, Authorized Public Accountant, as responsible Auditor.

### **Personnel**

In 2011 the Nordic Aluminium Group had an average number of 128 employees. The corresponding number for the year before was 156. At the end of 2011 the Group had 105 employees.

### **Outlook**

The new company culture is now solid part of the company. In order to improve productivity and profitability Nordic Aluminium will continue to take actions and make fine adjustments in every part of the organization.

The Board of Directors expect the net sales to increase during 2012. Competitive production machinery, increased inputs on sales and product development support this expectation. In addition, exporting to Far-East and North America will be increased through internal and external channels.

The Board of Directors expect the turnover and operating profit to increase during the year.

## **Risk management**

The objective of Nordic Aluminium Plc's risk management is to secure business continuity in all possible situations. The CEO and the Board of Directors are responsible for the risk management.

As part of the risk management the Company's insurance policies are re-evaluated annually. The factories and commercial activities are full value insured.

Main business risks are related to the uncertainty in the development of the world economy and its influence on market demand and on raw material prices.

## **The Board's proposal on the allocation of profits**

Net profit of the parent company for the year is EUR 11,212,626.49 and its distributable earnings EUR 32,539,655.82.

The Board proposes that a dividend of EUR 2.20 per share, or a total of EUR 10,641,140.40, will be declared and that the remaining balance of EUR 21,898,515.42 will be retained in profit and loss account.

## **Disclaimer**

This release contains certain forward-looking statements that reflect the current views of the Company's Board of Directors. Due to the nature of these statements, they contain risks and uncertainties and are subject to changes in the general economic situation and in the company's business sector.

## **Corporate Governance**

Nordic Aluminium complies with The Finnish Corporate Governance Code approved by Securities Market Association. Possible deviations have been stated with reasons at appropriate recommendations. The Corporate Governance statement of Nordic Aluminium is in full view at the Internet site of Nordic Aluminium ([www.nordicaluminium.fi/Financialinfo](http://www.nordicaluminium.fi/Financialinfo)).

Nordic Aluminium's Corporate Governance Statement from fiscal year 2011 will be published March 2, 2012 as a separate statement, simultaneously with the Financial Statements Release 2011, at the Company's home pages.

## **Accounting policies**

These presented annual financial statements have been prepared in accordance with IAS34 Interim Financial Reporting. Nordic Aluminium applies the same accounting policies as are applied in 2010 annual financial statements.

The financial information is prepared in accordance with international financial reporting standards IFRS.

While the group has only one primary business segment, "Aluminium products", which is equal to the official consolidated income statement and profit and loss account, the annual financial statements do not include separate information over the group's primary business segment.

The key figures in these annual financial statements are calculated with same accounting principles than in year 2010 annual financial statements. The calculation rules of key figures are presented in the financial statements.

The figures presented in the tables below have been rounded to two decimals, which should be taken into account when reading the sum figures.

The financial statements bulletin has been subject to audit.

# **CONSOLIDATED INCOME STATEMENT**

EUR million

	10-12/11 %	10-12/10 %	1-12/11 %	1-12/10 %
Net sales	15.24	15.14	69.66	68.26
Other operating income	0.14	0.01	0.46	0.08
Increase(+) or decrease(-) finished goods and work in progress	-0.12	0.80	0.41	0.33
Raw materials and consumables	-8.01	-7.95	-35.72	-31.62
Personnel expenses	-1.19	-0.89	-6.39	-6.02
Depreciation and reduction of value	-0.96	-0.95	-3.99	-4.54
Other operating expenses	-2.53	-2.59	-9.80	-10.63
Operating profit	2.56 16.8%	3.57 23.6%	14.63 21.0%	15.86 23.2%
Financial items	0.11	0.07	0.22	0.24
Profit before taxes	2.67 17.5%	3.64 24.0%	14.85 21.3%	16.10 23.6%
Income taxes	-0.59	-0.89	-3.78	-4.18
Net profit for the period	2.08 13,7%	2.75 18.2%	11.07 15.9%	11.92 17.5%
Profit attributable to:				
Owners of the parent	2.08 13,7%	2.75 18.2	11.07 15.9%	11.92 17.5
Minority interest	0.00	0.00	0.00	0.00
Other comprehensive income:				
Conversion difference	0.02	0.03	0.04	0.13
Total comprehensive income attributable to:				
Owners of the parent	2.12 13,8%	2.78 18.4	11.11 15.9%	12.05 17.6
Minority interest	0.00	0.00	0.00	0.00
Basic and diluted earnings per share, EUR	0.43	0.56	2.29	2.46

**CONSOLIDATED BALANCE SHEET**

<b>EUR million</b>	<b>Dec 31, 2011</b>	<b>Dec 31, 2010</b>
Non-current assets		
Tangible assets	25.80	25.31
Goodwill	2.25	2.25
Intangible assets	0.71	0.99
Tradable financial assets	0.02	0.02
Deferred tax liabilities	0.09	0.07
Total	28.86	28.64
Current assets		
Inventories	7.09	6.77
Accounts receivable and other current assets	9.70	9.60
Advance payments	0.00	0.04
Financial assets	17.05	16.51
Total	33.84	32.92
Cash in hand and at banks	62.70	61.56

<b>EUR million</b>	<b>Dec 31, 2011</b>	<b>Dec 31, 2010</b>
<b>Shareholders' equity and liabilities</b>		
<b>Equity</b>		
Shareholders' equity	6.19	6.19
Share premium account	3.45	3.45
Conversion difference	-0.10	-0.14
Retained earnings	44.58	43.66
Shareholders' equity:		
Owners of the parent	54.13	53.17
Minority interest	0.00	0.00
Total	54.13	53.17
Long-term liabilities		
Deferred tax liabilities	2.89	3.20
Provisions	0.20	0.20
Interest bearing liabilities	0.00	0.01
Total	3.10	3.41
Short-term liabilities		
Accounts payable	5.48	4.96
Provisions	0.00	0.00
Short-term interest bearing liabilities	0.00	0.02
Total	5.48	4.98
Total liabilities	8.58	8.39
Total shareholders' equity and liabilities	62.70	61.56

**CONSOLIDATED CASH FLOW STATEMENTS**

EUR million	10-12/11	10-12/10	1-12/11	1-12/10
Cash flow from operations				
Net profit (loss)	2.08	2.75	11.07	11.92
Corrections				
Depreciation				
according to plan	0.96	0.95	3.99	4.54
Financial items	-0.12	-0.07	-0.22	-0.24
Taxes	0.56	0.88	3.78	4.18
Cash flow before change				
in net working capital	3.48	4.51	18.62	20.40
Change in net working capital:				
Short-term receivables,				
increase(-)/decrease(+)	3.72	3.84	-0.30	-1.94
Inventories				
increase(-)/decrease(+)	0.14	-0.81	-0.31	-0.36
Short-term interest				
bearing liabilities				
increase(+)/decrease(-)	-3.09	-3.75	0.09	-0.77
Total	0.77	-0.72	-0.52	-3.07
Cash flow from operations				
before interests and taxes	4.26	3.66	18.10	17.20
Paid interests and payments for				
other financial expenses	-0.04	-0.04	-0.29	-0.15
Received interests and payments				
from other financial income	0.16	0.11	0.51	0.39
Paid income taxes	-0.74	0.75	-3.67	-2.53
Cash flow from operations(A)	3.64	4.49	14.65	14.92
Cash flow from investing activities				
Investments in tangible and				
intangible assets	-1.63	-0.90	-4.16	-1.85
Income from sales of tangible				
and intangible assets	0.18	0.00	0.18	0.03
Repayment of loan receivables	0.00	0.00	0.00	0.00
Cash flow from investments(B)	-1.45	-0.90	-3.98	-1.82
Cash flow from financial items				
Rights issue	0.00	0.00	0.00	0.00
Withdrawals of				
short-term loans	0.00	-0.07	0.00	0.00
Amortization of short-				
term loans	-0.01	-0.01	-0.02	-0.01
Withdrawals of				
long-term loans	0.00	0.00	0.00	0.00
Amortization of long-				
term loans	0.00	0.03	0.00	-0.06
Dividends paid	0.00	0.00	-10.16	-6.29
Cash flow from financial				
items(C)	-0.01	-0.06	-10.18	-6.36
Change in cash flow (A+B+C)	2.18	3.67	0.50	6.87
Conversion difference	0.06	0.03	0.04	0.13



Total	2.24	3.70	0.54	7.00
Cash in hand and at banks in the beginning of period	14.81	12.81	16.51	9.51
Cash in hand and at banks in the end of period	17.05	16.51	17.05	16.51
Change	2.24	3.70	0.54	7.00

**STATEMENT OF CHANGES OF CONSOLIDATED EQUITY**  
**EUR million**

	Shareholders Equity	Share prem. account	Conversion difference	Retained earnings	Total equity
<b>Equity</b>					
<b>1.1.2010</b>	6.19	3.45	-0.27	38.03	47.41
Comprehensive income			0.13	11.92	12.05
<b>Earnings and costs total</b>					12.05
Dividends				-6.29	-6.29
<b>Equity</b>					
<b>31.12.2010</b>	6.19	3.45	-0.14	43.66	53.17
<b>Equity</b>					
<b>1.1.2011</b>	6.19	3.45	-0.14	43.66	53.17
Comprehensive income			0.04	11.07	11.11
<b>Earnings and costs total</b>					
Dividends				-10.16	-10.16
<b>Equity</b>					
<b>31.12.2011</b>	6.19	3.45	-0.10	44.58	54.13

**KEY FIGURES:**

	10-12/11	10-12/10	1-12/11	1-12/10	1-12/09
Diluted earnings per share, EUR	0.43	0.56	2.29	2.46	0.63
	<b>1-12/11</b>	<b>1-12/10</b>	<b>1-12/09</b>		
Equity ratio, %	86.30	86.40	84.40		
Gearing, %	-31.50	-30.90	-19.80		
Balance sheet total, EUR million	62.70	61.56	56.17		

**NOTES:**

	1-12/11	1-12/10	1-12/09
Equity/share, EUR	11.19	10.99	9.80
Number of personnel at the end of the season	105	151	125

	10-12/11	10-12/10	1-12/11	1-12/10	1-12/09
Investments, EUR million	3.03	0.88	4.16	1.85	6.84
Average number of personnel	123	154	128	156	207

**Geographical segments:**

**Net sales**

EUR million	10-12/11	10-12/10	1-12/11	1-12/10	1-12/09
Finland	8.21	7.75	36.22	34.95	34.13
Other countries	7.03	7.39	33.44	33.31	28.11
Total	15.24	15.14	69.66	68.26	62.24

**Taxes:**

EUR million	10-12/11	10-12/10	1-12/11	1-12/10	1-12/09
Current income tax	-0.86	-0.55	-4.08	-3.83	0.04
Change in deferred income tax	0.27	-0.34	0.30	-0.35	1.11
Total	-0.59	-0.89	-3.78	-4.18	1.15

**Inventories:**

EUR million	Dec 31, 2011	Dec 31, 2010	Dec 31, 2009
Raw materials and consumables	0.92	1.01	0.97
Work in progress	3.80	2.87	2.96
Finished goods	2.37	2.89	2.49
Total	7.09	6.77	6.42

**Interest bearing loans and borrowings:**

EUR million	Dec 31, 2011	Dec 31, 2010	Dec 31, 2009
Bank loan	0.00	0.00	0.00
Obligations under finance leases	0.01	0.03	0.05
Total	0.01	0.03	0.05

**Contingent liabilities:**

EUR million	Dec 31, 2011	Dec 31, 2010	Dec 31, 2009
Consignation liability	0.15	0.26	0.33
Rental and leasing liabilities	4.03	4.89	7.44
Corporate mortgages given	0.00	0.00	0.00

**Related party disclosures:**

EUR million	10-12/11	10-12/10	1-12/11	1-12/10	1-12/09
Sales	2.04	1.56	10.53	9.49	7.50
Purchases	0.01	0.01	0.02	0.03	0.05

EUR million	Dec 31, 2011	Dec 31, 2010	Dec 31, 2009
Receivables	0.09	0.07	0.02
Accounts payable	0.00	0.04	0.00

**Order backlog:**

EUR million	Dec 31, 2011	Dec 31, 2010	Dec 31, 2009
	3.67	7.22	4.02

The financial statements for the fiscal year 2011 have been audited.  
The key data have been calculated as instructed by the FSA Standard 5.1.

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Nordic Aluminium Plc's Annual General Meeting will be held on March 30, 2012.

Nordic Aluminium Plc's next Interim Report for January-March 2012 will be published on April 20, 2012. All releases can be viewed at Nordic Aluminium's homepages [www.nordicaluminium.fi](http://www.nordicaluminium.fi).

Kirkkonummi March 2, 2012

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